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25 JUL 1978

NOTE FOR: Deputy Director for Operations

SUBJECT : Senate Select Committee on Intelligence Request for a
Study of the Operations Directorate

In its report on the 1979 authorization bill, the Senate Select Committee on Intelligence (SSCI) asked that we undertake a study to be completed by 1 November 1978 which addressed a number of questions on a country-by-country basis relating to the DDO program. A copy of that request is attached (Attachment A).

On 28 April Don Gregg put together a list of talking points for the DDCI to use with Bill Miller (Attachment B) which basically noted that the Senate's request constituted micromanagement and proposed instead a more limited but basically responsive effort. The DDCI talked with Bill Miller and believed that Bill had agreed to our counterproposal. Bill suggested that Danny Childs talk with me and that we work out the details.

25X1 I have had two conversations with Danny on this subject in the last three months. In sum, I gave Danny a list of the six items that the DDCI had told Bill Miller we would be willing to do and told him we planned to proceed. Danny checked with Bill who said that he did not want to make a big issue out of this problem but that he thought he and the DDCI had agreed to examine 31 countries in detail, not just the three hypothetical countries as we had proposed. Bill thought this would dovetail nicely with the effort we had under way with the NSC and would eliminate some duplication of effort. (As an aside, Danny also said that what he had originally envisioned in framing the request was a document which had been prepared by OPPB, the predecessor of this Office, which listed countries in which there was a DDO presence, related resources, and specific projects with a line or two of narrative on each project as to what its purpose was. We have made an effort here and through [] and others who were here at that time to locate that document. However, we have not been able to find it. In any event, I do not believe we would be willing to give Congress, at this point, a document which resembled that one in any major respect.)

While talking to Danny Childs, I kept Don Gregg informed. His view of what we should give the Senate has shifted over time, particularly as the President took the initiative with the Congress

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on the security issue and as he has proceeded with the last two briefings of Jim Bush on the DDO's program (Attachments C and D). In our last conversation, Don and I agreed it made little sense to give the Senate more than we are willing to give the House. If anything, we should be doing the reverse, given the small number of people involved in the House and their apparently superior record thus far with respect to handling sensitive information.

As I understand it, the situation now is that we have agreement to proceed with Points b through g of Attachment B as discussed by the DDCI with Bill Miller. Point a, however, is in dispute. The Senate originally asked for a description of major substantive objectives country by country and a description of all clandestine human source collection activities aimed at achieving these objectives. We counter-proposed that we are willing to provide details on objectives, targets, and assets of three stations--one small, one medium, and one large--without specifically identifying them. Bill Miller has apparently indicated that it would be all right if we compromised at 31 countries. The question is where do we go from here? As noted above, several concerns have become more sharply focused since this debate began. We are increasingly concerned about the fact that the Senate gave us very detailed "guidance" by project and country in the covert action area when given detail similar to that now being requested for clandestine collection. Obviously, we are not anxious to have this happen. Also, the Administration's posture with respect to making sensitive information available to the Congress has stiffened somewhat, and the DCI has made a particular point of this issue with the SSCI. Third, we are presently engaged in a major briefing effort with the House Select Committee. Given their relatively exemplary record in handling information of this type, it does not seem wise at this point to go farther with the Senate than we are with the House. Could we discuss where we go from here?

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James H. Taylor
Comptroller

Attachments:

- A. SSCI Request for DDO Study
- B. DDCI Talking Points
- C. Memo re Briefing for J. Bush
- D. Memo re Briefing for HPSCI Staff

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28 April 1978

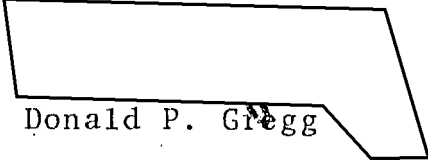
MEMORANDUM FOR: Associate Deputy Director
for Operations

FROM : Donald P. Gregg
Special Assistant to the
DDO for External Oversight

SUBJECT : Talking Points Paper for DDCI

1. Attached hereto is a Talking Points paper for the DDCI to use with SSCI Staff Director William Miller next week.

2. Also attached for the DDCI's information is a Memorandum for the Record dealing with Mr. Miller's perceptions of the Directorate's sensitive collection program.


Donald P. Gregg

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TALKING POINTS

Background

The SSCI's request for a voluminous and detailed report of the Directorate of Operation's clandestine human source collection activities comes at a pivotal time in the Agency's relations with Congress. We have now dealt with the SSCI for about two years in a forthcoming and cooperative manner. For the SSCI to request the great amount of detail, which is embodied in their recommendations on the FY79 NFIP, seems both unjustifiable and unnecessary. If we accede, we will continue to place ourselves in an overly submissive posture toward Congress thereby delaying indefinitely the time when we can move into a more collegial relationship with the oversight committees. At the same time, the Directorate needs to recognize that one of the murky areas in the SSCI's perception of CIA operations is clandestine collection. Our objective should be to help the SSCI become more familiar with and confident in our internal decision-making processes without laying bare our entire covert collection apparatus. We may well have to go through the same procedure with the HPSCI in the near future. (See attached Memorandum for the Record in which Bill Miller articulates the current SSCI perception of the Directorate's clandestine collection operations.)

- To respond to the SSCI request, as now formulated, would require us to describe the operating directives, clandestine assets and ongoing costs over the next five years of every Station in the world.

- To respond in this amount of detail would go far beyond oversight into "micro-management" of CIA by the SSCI.

- The amount of detail would be so voluminous as to make it impossible for SSCI membership to draw overall conclusions about our clandestine operations.

- A practical result would be that staffers would focus on specific operations in individual Stations, paving the way for detailed operational questions and second-guessing from those who lack professional qualifications in the intelligence field.

- Risk of leaks would increase exponentially.

- What we are willing to do is:

a. describe in detail the objectives, targets and assets of three Stations, one small, one medium and one large, without specifically identifying them; 000

b. present some actual case studies which lay out the ways in which difficult operational decisions are made on clandestine collection operations where both risks and gains are high; 000

c. present, as requested, an evaluation of the contribution of the DO's clandestine collection operations to finished intelligence; NFAC ILLEGIB

d. present, as requested, a qualitative assessment of the value and effectiveness of our clandestine collection operations; [redacted]

e. discuss and explain in the context of current [redacted] how the Directorate is becoming more and more exclusively focused on collection targets which cannot be approached through overt means; ILLEGIB

f. present, as requested, funding projections by operating division for the next five years; [redacted]

g. pass to the SSCI the recently completed investigation of the DO by the House Appropriations Committee which looked exhaustively into some of these same matters. [redacted]

* If HAC so permits.
They agree - [redacted]

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13 July 1978

MEMORANDUM FOR: Acting Deputy Director for Operations

FROM : Donald P. Gregg
Chief, Policy and Coordination Staff
Liaison and Oversight Control

SUBJECT : Meeting with Jim Bush of House
Permanent Select Committee on Intelligence

1. The second session with Jim Bush of the HPSCI was held on 12 July, lasting about two hours and fifteen minutes. The first hour was spent in going over with Mr. Bush the House Appropriations Committee S&I team report. Mr. Bush was allowed to read the DDCI's letter to Chairman Mahon giving overall Agency reaction to the report, and was also shown DDO-prepared summaries of the report's major questions and compliments re the DDO. Mr. Bush read these summaries carefully, asked one or two questions ("Why are Chiefs of Station opposed to more NOCs?" and "Why is the State Department opposed to CIA reporting on economics?") and noted that there were, as he put it, "some very nice words" in the report regarding DDO's capabilities. Mr. Bush then flipped through the first 40 pages of the report and seemed to have absorbed its flavor. He appeared to agree with my comment that the report was a useful and balanced look at the Directorate. I stated that he was welcome to look at our copy at any time.

2. The second hour was spent with [redacted] [redacted] led off with a description of the ways in which EPDS seeks customer comment on our reporting. This was followed by [redacted] discussion of specific feedback from customers, largely in the military R&D field. The discussion was kept at the SECRET ORCON level and no reference was made to anything of a higher classification. Mr. Bush appeared interested in this discussion and asked that our next session - to be held next week - be a continuation of the EPDS presentation. Mr. Bush ended the meeting regretfully as he had to return to the Hill for a meeting with Congressman Burlison. He thanked all concerned and said the session had been useful to him.

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